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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/803,549

03/18/2004

Tuomas Sandholm

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EXAMINER

GARG, YOGESH C

ART UNIT

PAPER NUMBER

3625

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DELIVERY MODE

05/08/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/803,549	Applicant(s) SANDHOLM ET AL.	
	Examiner Yogesh C. Garg	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 04 April 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-50 is/are pending in the application.
- 4a) Of the above claim(s) 2,3,5-10,13-23,25,26,28-33 and 36-50 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,4,11,12,24,27,34 and 35 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on 18 March 2004 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>8/11/04,10/1/04,1/10/05,8/7/06</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Election/Restrictions

1. Applicant's election without traverse of species 5, claims 1, 4, 11-12, 24, 27, 34-35 in the reply filed on 4/4/2008 is acknowledged. Rest of the claims 2-3, 5-10, 13-23, 25-26, 28-33, 36-50 are withdrawn as non-elected. Claims 1, 4, 11-12, 24, 27, 34-35 are pending for examination.

Drawings

2. New corrected drawings in compliance with 37 CFR 1.121(d) are required in this application because in all the figures following DRAWING deficiencies have been noted:

the character of the lines, numbers and letters is poor in all the Figures;

the illustrations are penetrated or traversed by a solid or broken line that is not intended to be part of the drawing, such as a dark line caused by a flaw in the copying process;

the drawings are obscure and marred by black smudges, obliterations, or fax/copier marks; and

numbers, letters, or reference characters in the drawings are illegibly handwritten.

Applicant is advised to employ the services of a competent patent draftsman outside the Office, as the U.S. Patent and Trademark Office no longer prepares new drawings. The corrected drawings are required in reply to the Office action to avoid

abandonment of the application. The requirement for corrected drawings will not be held in abeyance.

Claim Rejections - 35 USC § 101

3 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 4, 11-12, 24, 27, 34-35 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added), per ***State Street test***.

Body of the claims 1, 4, 11-12, 24, 27, 34-35 recite various process steps such as "receiving", "determining", "causing", "repeating steps", "adding or deleting rules", "imposing constraint", etc. but it is not clear if the claimed invention is a "new and useful process, or any new and useful improvement thereof". The process steps and their results denote mere ideas in abstract without representing a real world specific practical value and therefore the claim does not qualify the test that it is "useful", and "concrete" and "tangible" and as such does not satisfy 35 USC 101, see analysis below.

Not every "process" in the dictionary sense is a "process" under § 101. The Supreme Court has defined a "process" as involving a transformation of subject matter to a different state or thing, *id.* at 1398-1401, where the transformation of physical subject matter involves technology. The absence of a machine/computer does not necessarily mean that a method is directed to nonstatutory subject matter. A "process" under § 101 is a series of steps that transforms physical subject matter (tangible or

intangible) to a different state or thing, id. at 1398-99, and is not limited to the means disclosed for performing it, id. at 1400-01, and is not required to be performed by a machine. For example, a step of "mixing" two chemicals to produce a composition of matter recites a transformation of physical matter to a different state regardless of whether it is performed by a machine or a human.

The concurrence/dissent of APJ Barrett in Lundgren concludes that there are three viable tests for statutory subject matter: (i) to constitute a "process" under 35 U.S.C. § 101 requires that the method steps transform physical subject matter (tangible or intangible) to a different state or thing; (2) "laws of nature, natural phenomena, and abstract ideas" are exceptions to § 101 and apply to subject matter that would otherwise be within § 101; and (3) the claimed subject matter must be "reduced to some type of practical application, i.e., 'a useful, concrete and tangible result,'" " State Street, 149 F.3d at 1373, 47 USPQ2d at 1600-01.

In the instant case rather than applying the transformation test or the abstract idea exception, the examiner relies on the test that the claimed subject matter must be "reduced to some type of practical application, i.e., 'a useful, concrete and tangible result,'" that is State Street test. The limitations of claims 1, 4, 11-12, 24, 27, 34-35, as analyzed above merely represent ideas in abstract doing several things rather than resulting in a real world application providing ., 'a useful, concrete and tangible result,'.

Claim Rejections - 35 USC § 102

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

4.1. Claims 1, 4, 11-12 are rejected under 35 U.S.C. 102(e) as being anticipated by Ausubel et al., hereinafter Ausubel.

Regarding claim 1, Ausubel discloses a method of conducting a live combinatorial exchange comprising:

(a) receiving from each of a plurality of bidders at least one bid comprised of at least one item, an initial quantity of each item, and a price for all of the item(s) and their quantities, (b) determining an allocation that is optimal for the type of exchange being conducted, wherein said allocation includes a plurality of bids with each bid of said allocation including all of the items of the bid and at least part of the initial quantity of each item, (c) causing at least a portion of each bid of said allocation to be displayed to each bidder of a first subset of the bidders that has at least one bid that is not included in said allocation, (d) receiving from each bidder of a subset of the first subset of bidders at least one of a new bid and an amendment to an existing bid of the bidder; and (e) repeating steps (b)-(d) until a

predetermined condition is satisfied (see at least paragraphs 0153, 0162-0165, 0179, 0184-0200, 0205. Also see paragraphs 0013-0023, 0027-0030 and 0044. Ausubel teaches allowing a plurality of bidders to submit their bids by indicating quantity and prices and based upon received bids best allocation is made, the bids are displayed to the bidders and further rounds of bidding with amended biddings and the ones not earlier selected in the allocation are executed repeating the earlier steps till the auction ends.).

Regarding claim 4, Ausubel teaches that each bid of a subset of the bids has associated therewith exchange description data (EDD) established by the bidder of said bid (bidder EDD), bidder EDD comprises at least one rule (or constraint) for processing at least one of (i) a bid, (ii) at least one item of a bid, and (iii) a subset of bids that includes all or less than all of the bids when determining the allocation; and step (b) further includes determining the allocation as a function of bidder EDD (see .paragraph 0036. The bidder 's bid comprises at least one rule or constraint that he can change the quantities of different items in a mix depending upon the change in price for the next round, that is for the subset of bids.)

Regarding claim 11, Ausubel teaches that the amendment to the existing bid in step (d) includes at least one of the addition of at least one new rule to bidder EDD associated with the existing bid, the deletion of at least one rule from bidder EDD associated with the existing bid, the amendment of a value associated with at least one rule of bidder EDD associated with the existing bid, the amendment of a value of the

quantity of at least one item of the existing bid and the amendment of the price for all of item(s) and their quantities (see at least paragraph 0036. In the subsequent rounds amendments to an existing bids can include change in the price, total value of the bid, the mix of quantities for different items, etc.).

Regarding claim 12, Ausubel teaches that further including imposing at least one supervisory constraint that limits at least one of (i) adding at least one rule to a bidder EDD, (ii) deleting at least one rule from a bidder EDD, (iii) relaxing at least one rule of a bidder EDD and (iv) tightening of at least one said rule of a bidder EDD (see at least paragraph 0036. The auctioneer/supervisor imposes at least one supervisory constrain, such as not to increase his quantity summed over the types of items within a group, but can relax the rule by allowing a change in the mix or setting a new rule by demanding a higher bid price).

Regarding claims 24, 27, 34-35, their limitations are closely parallel to the limitations of claims 1, 4, 11-12 and therefore are analyzed and rejected based on the same rational as set forth for claims 1, 4, 11-12 above.

Conclusion

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Ausubel et al. (US 20070055606, see at least paragraphs 0039, 0178, 0183-0204, 0265-0269) and Ausubel (US 7,337,139, see at least col.3, lines 3-

45) teach conducting auction allowing a plurality of bidders to submit their bids by indicating quantity and prices and based upon received bids best allocation is made, the bids are displayed to the bidders and further rounds of bidding with amended biddings and the ones not earlier selected in the allocation are executed repeating the earlier steps till the auction ends and the biddings in subsequent rounds are subject to constraints.).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C. Garg whose telephone number is 571-272-6756. The examiner can normally be reached on Increased Flex/Hoteling.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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